

**STANDARD AGREEMENT AMENDMENT**

STD. 213 A (Rev 6/03)

☐ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED \_\_\_\_\_ Pages

AGREEMENT NUMBER

**C0220950**

REGISTRATION NUMBER

AMENDMENT NUMBER

**1**

1. This Agreement is entered into between the State Agency and Contractor named below:

STATE AGENCY'S NAME

Franchise Tax Board

CONTRACTOR'S NAME

International Business Machines Corporation

2. The term of this

Agreement is July 14, 2003 through January 13, 2011

3. The maximum amount of this \$801,252,166.00

Agreement after this amendment is:

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

The Maximum amount of this agreement is increased by \$50,000 to pay the State's portion of the performance bond, pursuant to Paragraph 4 of the General Terms & Conditions, for a total contract amount of \$801,252,166.00.

**General Terms & Conditions – Definitions** – Base Contract Amount has been changed to include the statement "This amount does not include the \$50,000.00 for the State's portion of the performance bond as described in Paragraph 4 of these Terms and Conditions". Definitions – Contract – add contract number. Paragraph 4 – replace "outside of this Contract" with "outside of the Base Contract Amount". Paragraph 33 – remove struck through text.

**Rider C – Paragraph 1.2** – Change the word "hardware" to "software".

**Rider D – Paragraph 2** – Compensation Definitions – Add the following statement to #12 "This amount does not include the \$50,000.00 for the State's portion of the performance bond as described in Paragraph 4 of the General Terms and Conditions".

**Rider E – Paragraph 3** – Remove struck through text. Attachment E-1 – add footnote to Compensation Total to clarify that performance bond costs are not included in Base Contract Amount.

General Terms & Conditions and all Riders – Change header version number to 3.0 and date to 093003. Add Amendment 093003 under contract number.

All other terms and conditions shall remain the same.

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

**CONTRACTOR**

CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.)

International Business Machines Corporation

BY (Authorized Signature)

DATE SIGNED (Do not type)



10/7/2003

PRINTED NAME AND TITLE OF PERSON SIGNING

Nancy LePage, IBM Senior Project Executive for the State of California

ADDRESS

International Business Machines Corporation  
3775 North Freeway Blvd., Suite 210, Sacramento, CA 95834

**STATE OF CALIFORNIA**

AGENCY NAME

Franchise Tax Board

BY (Authorized Signature)

DATE SIGNED (Do not type)



10/09/03

PRINTED NAME AND TITLE OF PERSON SIGNING

Titus Toyama, Chief Financial Officer

ADDRESS

P.O. Box 115, Rancho Cordova, CA 95741-0115

**CALIFORNIA**  
Department of General Services  
Use Only

☒ Exempt per: Chapter 479, Statutes of 1999

**AGREEMENT SUMMARY**

SID 215 (Rev 4/2002)

AGREEMENT NUMBER

AMENDMENT NUMBER

C0220950

1

☒ **CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED**

1. CONTRACTOR'S NAME

International Business Machines Corporation

2. FEDERAL I.D. NUMBER

13-0871985

3. AGENCY TRANSMITTING AGREEMENT

Franchise Tax Board (FTB)

4. DIVISION, BUREAU, OR OTHER UNIT

Procurement &amp; Asset Management

5. AGENCY BILLING CODE

029000

6. NAME AND TELEPHONE NUMBER OF CONTRACT ANALYST FOR QUESTIONS REGARDING THIS AGREEMENT

Julie Kouri (916) 845-3100

7. HAS YOUR AGENCY CONTRACTED FOR THESE SERVICES BEFORE?

☒ NO☐ YES (If YES, enter prior contractor

name and Agreement Number)

8. BRIEF DESCRIPTION OF SERVICES - LIMIT 72 CHARACTERS INCLUDING PUNCTUATION AND SPACES

Development and implementation of the child support enforcement system.

9. AGREEMENT OUTLINE (Include reason for Agreement: Identify specific problem, administrative requirement, program need or other circumstances making the Agreement necessary; include special or unusual terms and conditions.)

Amendment #1 to the Child Support Enforcement (CSE) contract to:

Increase contract by \$50,000

Change language in General Terms &amp; Conditions, Rider C, Rider D and Rider E of the original contract. See Std. 213a for details on the language changes.

10. PAYMENT TERMS (More than one may apply.)

☐ MONTHLY FLAT RATE☐ QUARTERLY☐ ONE -TIME PAYMENT☐ PROGRESS PAYMENT☒ ITEMIZED INVOICE☐ WITHHOLD \_\_\_\_\_ %☐ ADVANCED PAYMENT NOT TO EXCEED☐ REIMBURSEMENT/REVENUE

\$ \_\_\_\_\_ or \_\_\_\_\_ %

☒ OTHER (Explain) Compensation based on achieving performance measures.

11. PROJECTED EXPENDITURES FUND TITLE	ITEM	F.Y.	CHAPTER	STATUTE	PROJECTED EXPENDITURES
General	1730-001-0001	03/04	157	2003	\$82,597,427.00
General	1730-001-0001	04/05			\$117,708,149.00
General	1730-001-0001	05/06			\$200,011,199.00
General	1730-001-0001	06/07			\$168,721,774.00
General	1730-001-0001	07/08			\$71,659,878.00
General	1730-001-0001	08/09			\$51,039,418.00
General	1730-001-0001	09/10			\$104,707,108.00
General	1730-001-0001	10/11			\$4,807,213.00
OBJECT CODE CCSAS 418.11			AGREEMENT TOTAL		\$801,252,166.00

OPTIONAL USE

AMOUNT ENCUMBERED BY THIS DOCUMENT

\$ 50,000.00

I CERTIFY upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above.

PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT

\$ 801,202,166.000

ACCOUNTING OFFICER'S SIGNATURE

DATE SIGNED

TOTAL AMOUNT ENCUMBERED TO DATE

\$ 801,252,166.00

12. AGREEMENT	From	TERM Through	TOTAL COST OF THIS TRANSACTION	BID, SOLE SOURCE, EXEMPT
Original	7/14/03	01/13/11	\$ 801,202,166.00	Solicitation for Conceptual Proposals
Amendment No. 1	7/14/03	01/13/11	\$ 50,000.00	Exempt per legislation
TOTAL			\$ 801,252,166.00	

(Continue)

**AGREEMENT SUMMARY**

STD. 215 (NEW 02/98)

**13. BIDDING METHOD USED:**☐ REQUEST FOR PROPOSAL (RFP)☐ INVITATION FOR BID (IFB)☐ USE OF MASTER SERVICE AGREEMENT*(Attach justification if secondary method is used)*☐ SOLE SOURCE CONTRACT☐ EXEMPT FROM BIDDING☒ OTHER *(Explain)**(Attach STD. 821)**(Give authority for exempt status)*Solicitation for Conceptual Proposals for originalNOTE: *Proof of advertisement in the State Contracts Register or an approved form STD. 821, Contract Advertising Exemption Request, must be attached***14. SUMMARY OF BIDS** *(List of bidders, bid amount and small business status) (If an amendment, sole source, or exempt, leave blank)*

The CCSAS project sent the solicitation for Conceptual Proposals to a pool of Qualified Business Partners on September 10, 2001. One Qualified Business Partner, International Business Machines, submitted a final proposal. This is an amendment to add \$50,000 to the contract and modify the General Terms & Conditions and associated Riders.

**15. IF AWARD OF AGREEMENT IS TO OTHER THAN THE LOWER BIDDER, PLEASE EXPLAIN REASON(S)** *(If an amendment, sole source, or exempt, leave blank)*

The original award was based on best value to the State as set forth in Public Contract Code § 12100.7. This is Amendment #1 to the original contract.

**16. WHAT IS THE BASIS FOR DETERMINING THAT THE PRICE OR RATE IS REASONABLE?**

For the original contract, extensive independent cost analysis was conducted. The independent cost analysis provided the basis for determining that the costs are reasonable.

**17. JUSTIFICATION FOR CONTRACTING OUT** *(Check one)*☐ Contracting out is based on cost savings per Government Code 19130(a). The State Personnel Board has been so notified.☒ Contracting out is justified based on Government Code 19130(b). Justification for the Agreement is described below.*Justification:*

The contract services are of highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the civil service system. The Contractor will provide design, development and implementation services to the CCSAS Project. The project requires staff with knowledge of federal requirements and the Child Support Program, both of which the Contractor has. The contractor will provide equipment and facilities that could not feasibly be provided by the state. The need is urgent as the federal government will continue to impose significant penalties on California for failure to implement a single statewide system.

**18. FOR AGREEMENTS IN EXCESS OF \$5,000, HAS THE LETTING OF THE AGREEMENT BEEN REPORTED TO THE DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING?**☐ NO ☒ YES ☐ N/A**19. HAVE CONFLICT OF INTEREST ISSUES BEEN IDENTIFIED AND RESOLVED AS REQUIRED BY THE STATE CONTRACT MANUAL SECTION 7.10?**☐ NO ☒ YES ☐ N/A**20. FOR CONSULTING AGREEMENTS, DID YOU REVIEW ANY CONTRACTOR EVALUATIONS ON FILE WITH THE DGS LEGAL OFFICE?**☐ NO ☐ YES ☒ NONE ON FILE ☐ N/A**21. IS A SIGNED COPY OF THE FOLLOWING ON FILE AT YOUR AGENCY FOR THIS CONTRACTOR?****A. CONTRACTOR CERTIFICATION CLAUSES**☐ NO ☒ YES ☐ N/A**B. STD. 204, VENDOR DATA RECORD**☐ NO ☒ YES ☐ N/A**22. REQUIRED RESOLUTIONS ARE ATTACHED**☐ NO ☐ YES ☒ N/A**23. ARE DISABLED VETERANS BUSINESS ENTERPRISE GOALS REQUIRED?** *(If an amendment, explain changes, if any)*☐ NO *(Explain below)*☒ YES *(If YES complete the following)*DISABLED VETERAN BUSINESS ENTERPRISES: 3.09 % OF AGREEMENT☐ Good faith effort documentation attached if 3% goal is not reached.☐ We have determined that the contractor has made a sincere good faith effort to meet the goal.*Explain:*

The Contractor made a commitment to use two DVBES for 3.09% of the contract proposal.

**24. IS THIS A SMALL BUSINESS CERTIFIED BY OSBCR?**☒ NO ☐ YES *(Indicate Industry Group)***SMALL BUSINESS REFERENCE NUMBER****25. IS THIS AGREEMENT (WITH AMENDMENTS) FOR A PERIOD OF TIME LONGER THAN ONE YEAR?** *(If YES, provide justification)*☐ NO ☒ YES

The contract requires seven years and six months in order to comply with the Welfare and Institutions Code sections 10080-10093 requiring the Franchise Tax Board, acting as the agent for the Department of Child Support Services, to procure, develop, implement, and maintain the California Child Support Automation System.

*I certify that all copies of the referenced Agreement will conform to the original Agreement sent to the Department of General Services.*

SIGNATURE/TITLE

Michael A. Bonner, Staff ISA

DATE SIGNED

10/10/03

# REQUEST FOR CONTRACT SERVICES

CONFLICT OF INTEREST  
APPLIES ☐ YES ☒ NO  
(see attached justification)

DATE  
9/25/03

NUMBER  
C0220950 #1

## REQUESTOR COMPLETE THIS SECTION (Refer to GPM 0900)

BRANCH CCSAS		UNIT/DISTRICT OFFICE PANS	UNIT NO. 200
REQUESTOR'S NAME JULIE RAFFIELD		ADDRESS (LOCATION OF SERVICE) 11120 INTERNATIONAL DR, RANCHO CORDOVA, CA	
NAME OF CONTACT PERSON JULIE RAFFIELD	PHONE NO. (916) 845-6453	AMOUNT TO BE PAID - PAYMENT SCHEDULE \$801,252,166.00 INCREASE \$50,000.00	
CONTRACTOR'S NAME INTL. BUSINESS MACHINES CORP.	PHONE NO. (916) 641-4100	TERM OF CONTRACT From: 7/14/2003 To: 1/13/2011	
CONTRACTOR'S ADDRESS: STREET CITY STATE ZIP 3775 N. Freeway Blvd., STE 210 Sacramento CA 95834		PREVIOUS CONTRACTOR IBM	PREVIOUS CONTRACT # C0220950

**IN ACCORDANCE WITH STATE ADMINISTRATIVE MANUAL 1232, ALL SERVICES OF \$1,000 OR MORE MUST BE ADVERTISED IN THE CALIFORNIA STATE CONTRACTS REGISTER BY THE DEPARTMENT OF GENERAL SERVICES. ALLOW AN ADDITIONAL 30-45 DAYS FOR THIS PROCEDURE. CONTACT THE PURCHASING AND BUSINESS CONTRACTS UNIT FOR PUBLICATION DATES OF REGISTER.**

### 1. DIGEST OF CONTRACT AND DATE NEEDED

Please amend contract C0220950, dated July 14, 2003 for the following:

See attached Contract Amendment Summary for items.

### 2. JUSTIFICATION (MUST BE COMPLETED)



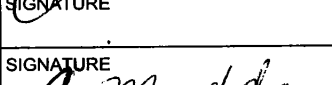

Amendment necessary to add funds for the State's portion of the performance bond and reflect this change in the effected Riders. All Riders need to be updated to new baseline version 3.0.

### 3. SCOPE OF SERVICE: (MUST BE COMPLETED) IF MORE SPACE IS REQUIRED, ATTACH A SEPARATE SHEET.

See attached CD

### AUTHORIZED SIGNATURES (Per Policy File 7510)

### BUDGET SECTION USE

Allotment Coordinator	SIGNATURE 	DATE 9-24-03	
Branch Authorization	SIGNATURE 	DATE 9/26/03	Allotment
Departmental Authorization	SIGNATURE 	DATE 9/26/03	Encumbrance Projection
Budget Authorization	SIGNATURE 	DATE 10/1/03	Balance
BRANCH TO BE CHARGED CCSAS		FY 03/04	COMMENTS
LINE ITEM ALLOTMENT per attached encumbrance document			

WHENEVER CONFIDENTIAL DATA IS INVOLVED - APPROVAL IS REQUIRED BY (GPM 0900 - SUB-SECT. 0902.1)

### 1. LEGAL BRANCH

### 2. DISCLOSURE OFFICE

Action _____ Date _____	Action _____ Date _____
Signature _____	Signature _____

## Language for 213a

**1. Digest of Contract and Date Needed:**

**Rider C – Paragraph 1.2 – change the word “hardware” to “software”.**

**General Terms & Conditions and all Riders – Change header version number to 3.0 and date to 093003. Added Amendment 093003 under contract number.**

BP CONTRACT  
C0220950  
FY 0304

	FY 03/04	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Original	\$82,547,427	\$117,708,149	\$200,011,199	\$168,721,774	\$71,659,878	\$51,039,418	\$104,707,108
Amend#1	\$50,000						
Total	<u>\$82,597,427</u>	<u>\$117,708,155</u>	<u>\$200,011,205</u>	<u>\$168,721,780</u>	<u>\$71,659,884</u>	<u>\$51,039,424</u>	<u>\$104,707,116</u>
ORIGINAL	CALSTARS CODING 2200-45166-418.11 110722-00						\$82,547,427
AMEND#1	CALSTARS CODING 2200-45100-418.13 110722-00						\$50,000

**CONTRACT AWARD REPORT**

STD. 16 (REV. 11/92)

TITLE 2, DIVISION 4, CHAPTER 5, SECTION 8117.5 OF THE CALIFORNIA CODE OF REGULATIONS REQUIRES CONTRACT AWARDING AGENCIES TO NOTIFY THE DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING, OFFICE OF COMPLIANCE PROGRAMS OF ANY CONTRACT AWARD IN EXCESS OF \$5,000. SUBMIT ONE COMPLETED COPY OF THIS FORM TO THE OFFICE OF COMPLIANCE PROGRAMS FOR EACH CONTRACT IN EXCESS OF \$5,000 WITHIN 10 DAYS OF AWARD DATE.

SHADED AREAS FOR OFFICE OF COMPLIANCE PROGRAMS USE ONLY

**CONTRACTOR INFORMATION**

CONTRACTORS NAME					TELEPHONE NUMBER AREA CODE				
International Business Machines Corporation					(916) 567-2930				
ADDRESS		(NUMBER)	STREET		CITY	STATE		ZIP CODE	
3775 North Freeway Blvd., Suite 200					Sacramento	CA		95834	
FEDERAL EMPLOYER I.D. NUMBER				COMPANY OFFICER AND TITLE					
1   3   -   0   8   7   1   9   8   5				Nancy C. LePage, Senior Project Executive, State of California					

**CONTRACT INFORMATION**

CONTRACT AMOUNT				STATE CONTRACT NUMBER				CONTRACT AWARD DATE			
8   0   1   2   5   2   1   6   6				C   0   2   2   0   9   5   0				Amendment #1 - 10/06/2003			
PROJECT LOCATION (COUNTY)										COUNTY CO	
11120 International Dr., Rancho Cordova, CA 95741											
ESTIMATED PROJECT STARTING DATE:		MONTH	DAY	YEAR	ESTIMATED PROJECT COMPLETION DATE:		MONTH	DAY	YEAR		
		7	14	2003			1	13	201		
TYPE OF CONTRACT					IS THIS PROJECT FEDERALLY FUNDED?						
<input type="checkbox"/> CONSTRUCTION <input checked="" type="checkbox"/> SERVICE <input checked="" type="checkbox"/> SUPPLIES AND COMMODITIES					<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO						

**AWARDING AGENCY INFORMATION**

AGENCY NAME		AGENCY ADDRESS		AGENCY CODE	
FRANCHISE TAX BOARD		9646 BUTTERFIELD WAY, SACTO., CA 95827		29000	
SIGNATURE OF PERSON COMPLETING FORM		PRINTED NAME AND TITLE		TELEPHONE NUMBER	
<i>Michael A. Banuelos</i>		Michael A. Banuelos, Staff Info Systems Analyst		(916) 845-5969	

Send to:

Department of Fair Employment & Housing  
Administration  
Attention: Testing Unit (D-11)  
2014 "T" Street  
Sacramento, CA